

CHAPTER I INTRODUCTION

A. Research Background

The performance management system has a very significant role in measuring the performance of an individual or the performance of an organization. In both government-owned and private-owned organizations, it is mandatory to apply management in order to achieve the goals set by the organization. By organization, it refers to universities, both public and private. The Provision of facilities to support education is carried out by each university using existing funds. Private universities will raise funds independently through various funding sources, while state universities are always assisted by the government. It is this difference that makes the work of management system to be very important..

Data reported by kompas.com (2022) shows that 90% of the 3,128 universities that have private status in Indonesia are declared to be in unhealthy conditions. It also shows a gap between state universities and private universities. Funds disbursed for education assistance for PTS are only 6%, while Those for PTN are 94% of the total budget. Many parties then complained that private universities also have a role in organizing education and increasing educational participation. Only 10 percent of tertiary institutions can carry out their operational activities properly, while the other 90% actually experience serious difficulties. Another thing that is very important is that PTS educates 72% of students so it becomes important to pay attention to the quality of education and improve quality management.

The Performance management system that applies in an organization is related to IT capability, accountability, and organizational performance. Nakata et al. (2008) explained that IT Capability can be shown in terms of quality, capacity, quality, and speed of storage, processing, and

communication functions. So, it is true that private universities will achieve good organizational performance when their IT Capability is also good. accountability relates to how an organization has the ability and obligation to be accountable for everything that has been done to parties who have an interest. In the context of private tertiary institutions, reports made by the university will be given to the foundation, known by all academics and other interested parties. The better the implementation of accountability within an organization, the more it will affect the organizational performance of private tertiary institutions. management work system is one of the processes within an organization that will determine the direction of the organization both in terms of IT Capability, accountability, and Organizational performance. Research conducted by Wardan et al. (2019) shows that accountability has no effect on performance. Research Rahayu (2020) shows that IT capability has no relation to organizational performance. Based on the Quran, Islam has taught its people that performance must be assessed. The verse that must be used as a reference for performance appraisal is the surah at-Taubah verse 105.

وَقُلْ اَعْمَلُوا فَسَيَرَىٰ هَالِكٌ عَمَلَكُمْ وَرَسُولُهُ وَالْمُؤْمِنُونَ وَسَتُرَدُّونَ اِلَىٰ عَالَمِ الْغَيْبِ وَ اَل هَشَاهَا ؕ فَتَيِّب
 نِكْمٌ بِمَا كُنْتُمْ تَعْمَلُونَ ۗ

And, say: "Work you, then, Allah and His Messenger, and the believers will see your work, and you will be returned to Allah Who Knows the unseen and the real, then He will inform you of what you have done. do it".

Private universities in Riau Province certainly have diverse performances. It shown by several private tertiary institutions that are still dealing with administrative issues which of course will impact the performance of private tertiary institutions. For example, STISIP Bunda Tanah Melayu, Lingga Regency, and Archipelago Province are still struggling with the lack of recommendation requirements for study program accreditation and with the completion of facilities and infrastructure required for the establishment of a PTS. The association of private higher education institutions in the area of

Riau once held a demonstration in front of the State Palace just because of educational problems. The demonstration involved academics including rectors who claimed that the minister of education had created a disruptive education system as in the case of mandatory accreditation which is considered voluntary (kapalah.com, 2022). Another similar case to exemplify the issue is an audience held by one of the Riau university organizations that tried to review the issue of existing tuition fees based on a government decree, i.e. 20%, which was then increased to 27% by Riau State University. Things like this of course will have an impact on the performance of private tertiary institutions which are also influenced by other factors.

The following is a list of private tertiary institutions in Riau and their accreditation according to the 2022 National Accreditation Board for Higher Education (BAN-PT):

Table 1.1
List of Private Universities in Riau and Their Accreditation

No	List Name of Private Higher Education in Riau	Accreditation
1	Universitas Islam Riau	B
2	Universitas Lancang Kuning	B
3	Universitas Muhammadiyah Riau	B
4	Universitas Islam Negeri Riau	B
5	Universitas Abdurrah	B
6	Universitas Islam Indragiri	B
7	Universitas Pasir Pengaraian Rokan Hulu	B
8	Lembaga Pendidikan LP3I Riau	B
9	STIE Purna Graha	B

10	Sekolah Tinggi Bahasa Asing Persada Bunda	B
11	Sekolah Tinggi Ilmu Administrasi Lancang Kuning	B
12	Sekolah Tinggi Ilmu Farmasi Riau	B
13	Sekolah Tinggi Ilmu Kesehatan Hang Tuah	B
14	Sekolah Tinggi Ilmu Pertanian Swarna Dwipa	C
15	Sekolah Tinggi Ilmu Purna Graha	B
16	Sekolah Tinggi Pariwisata Riau	B
17	Sekolah Tinggi Teknik Dumai	C
18	Sekolah Tinggi Teknologi Pekanbaru	C
19	Sekolah Tinggi Teknologi Unggulan Swarna Dwipa	C
20	STIE Bangkinang	B
21	STIE Dharma Putra	B
22	STIE Indragiri Rengat	B
23	STIE Persada Bunda	B
24	STIE Riau	C
25	STIE Sri Gemilang	B
26	STISIP Persada Bunda	C
27	STKIP YPM Bangko	B
28	Sekolah Tinggi Manajemen Informatika & Komputer (STMIK) AMIK Riau	B
29	Sekolah Tinggi Manajemen Informatika & Komputer (STMIK) Dumai	C
30	Sekolah Tinggi Manajemen Informatika & Komputer (STMIK) Dharmapala	C
31	Sekolah Tinggi Ilmu Komputer Pelita Indonesia	B

32	Politeknik Kampar	B
33	Politeknik Bengkalis	B
34	Politeknik Caltex Riau	B
35	Politeknik Pasir Pengaraian	B
36	Politeknik Pertanian Tembilaha	B
37	Akademi Akuntansi Mahaputra Riau	C
38	Akademi Akuntansi Pelita Indonesia	B
39	Akademi Bahasa Asing Persada Bunda	C
40	Akademi Kebidanan Dayang Suri	C
41	Akademi Kebidanan Dharma Husada Pekanbaru	C
42	Akademi Kebidanan Internasional Pekanbaru	C
43	Akademi Kebidanan Merangin	C
44	Akademi Kebidanan Payung Negeri	B
45	Akademi Keperawatan Dharma Husada Pekanbaru	B
46	Akademi Keperawatan Sri Bunga Tanjung	C
47	Akademi Kesehatan Fisioterapi	B
48	Akademi Kesenian Melayu Riau	B
49	Akademi Keuangan dan Perbankan Riau	C
50	Akademi Pariwisata Engku Putri Hamidah	-
51	Akademi Sekretari dan Manajemen Persada Bunda	C
52	Akademi Teknik Otomotif Pekanbaru	B
53	AKP Muhammadiyah Pekanbaru	-
54	AKRI Pekanbaru	-
55	AMIK Dumai	-

56	AMIK Mahaputra Riau	B
57	AMIK Mitra Gama, Duri, Bengkalis	B
58	AMIK Riau	B
59	AMIK Selat Panjang, Selat Panjang, Bengkalis	C
60	AMIK Tri Dharma	B

Source: Higher Education National Accreditation Board, 2022

Based on the table above, it can be concluded that there are 60 private tertiary institutions in Riau that have been accredited and have not yet been accredited by the National Accreditation Board for Higher Education (BAN-PT) in 2022. There are 54 private universities that have received B and C accreditation. Meanwhile, 6 private universities have not been accredited by the National Accreditation Board for Higher Education (BAN-PT).

Based on a brief description of the issue and the differences suggested by some previous researchers, the authors are eager to conduct a research entitled "The Influence of Accountability and IT Capability towards Organizational Performance of Private Universities with Performance Management Systems as Intervening Variables (Case Study on Private University in Riau)".

B. Research Problems Formulation

Based on the description of the background, the formulation of the problems in this study are as follows:

1. Does accountability have a positive effect on organizational performance?
2. Does IT capability have a positive effect on organizational performance?
3. Does the performance management system have a positive effect on organizational performance?
4. Does accountability have a positive effect on the performance management system?
5. Does IT capability have a positive effect on the performance management system?
6. Does accountability have a positive effect on organizational performance through a performance management system?
7. Does IT capability have a positive effect on organizational performance through a performance management system?

C. Research Purpose

Based on the explanation of the background, the research objectives are as follows:

1. To test and obtain empirical evidence of the effect of accountability on organizational performance
2. To test and obtain empirical evidence of the effect of IT capability on Organizational Performance
3. To test and obtain empirical evidence of the effect of accountability on organizational performance
4. To test and obtain empirical evidence of the effect of accountability on the Performance Management System

5. To test and obtain empirical evidence of the effect of IT capability on the Performance Management System
6. To test and obtain empirical evidence of the influence of accountability on Organizational Performance through the Performance Management System
7. To test and obtain empirical evidence of the effect of IT capability on Organizational Performance through Performance Management Systems

D. Research Benefits

The benefits of this study are as follows:

1) Theoretical benefits

This research is expected to be one of the sources used in the process of evaluating management performance in tertiary institutions as well as being a source that can expand knowledge related to the role of information technology capabilities and financial accountability. Consequently, this research can present new benefits as a reference to be used in developing subsequent studies that are closely related to the performance management system applied in private tertiary institutions.

2) Practical Benefits

It is hoped that this research can be a source of information that can also provide knowledge and information for parties who have an interest in the performance management system of higher education institutions with private status. Additionally, this research is hoped to contribute to the development of knowledge in the field of information technology as well as transparency regarding the responsibility for implementing the budget implemented in private universities in Indonesia.